

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 04674 230712Z
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-08 FRB-03 INR-10
NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 L-03 H-01 NSC-05 SS-15
STR-07 CEA-01 /093 W
-----082272 231254Z /45

R 230606Z AUG 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 1674
INFO USDOC WASHDC

LIMITED OFFICIAL USE KUWAIT 4674

E.O. 11652: N/A
TAGS: BEXP, ETRD, KU
SUBJ: MEW MINISTER ENCOURAGES GREATER US-KUWAIT TRADE RELATIONSHIP
IN CAPITAL GOODS AREA

1. DURING THE COURSE OF AN AUGUST 22 DISCUSSION ON THE DOHA WEST POWER PROJECT (SEPTTEL), MINISTER OF ELECTRICITY AND WATER (MEW) ABDULLAH AL-GHANEM REAFFIRMED TO ME HIS INTEREST IN SEEING AN INCREASED TRADE RELATIONSHIP BETWEEN KUWAIT AND THE US. HE WISHED IT TO DEVELOP IN THE AREA OF CAPITAL GOODS WHERE HE BELIEVED THE MUTUAL BENEFITS IN ECONOMIC, TECHNOLOGICAL AND, EVEN, CULTURAL TERMS WOULD ACCRUE OVER THE LONGER RANGE. MINISTER AL-GHANEM OBSERVED THAT ONE ONLY HAS TO LOOK AT KUWAIT'S PLANS FOR THE NEXT FIVE YEARS TO APPRECIATE THE PROFITABLE OPPORTUNITIES WHICH EXIST FOR THE DEVELOPMENT OF CLOSER US-KUWAIT COOPERATION.

2. I EXPRESSED MY AGREEMENT WITH HIS FORECAST AND TOLD HIM OF MY CONTINUING EFFORTS BOTH HERE AND WHEN IN WASHINGTON TO INTEREST US FIRMS IN EXPLORING THE KUWAITI MARKET. I HAD TO REPORT, HOWEVER, THAT OUR ANTI-BOYCOTT LEGISLATION CONTRIBUTED TO THE HESITANCY OF AMERICAN FIRMS TO TRADE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 04674 230712Z

WITH KUWAIT, PARTICULARLY BECAUSE OF CERTAIN OF THEIR TENDER REQUIREMENTS IN THIS RESPECT. I CITED THE SPECIFIC CONCERN EXPRESSED TO ME BY BOTH LAREGE (E.G. WESTINGHOUSE AND GENERAL ELECTRIC) AND SMALL (E.G. AMERICAN CAST IRON PIPE CO.) COMPANIES WITH THE BID GUARANTEE FORFEIT AND OTHER PENALTY CLAUSES CONTAINED IN STANDARD GOK MINISTRY CONTRACTS. DESPITE MY ASSURANCE THAT KUWAITIS DID NOT OPERATE IN THIS

FASHION, THESE AND OTHER FIRMS FELT THEY WOULD BE VULNERABLE BECAUSE OF THEIR UNWILLINGNESS AND LEGAL INABILITY TO MEET KUWAIT'S BOYCOTT CONDITIONS.

3. THE MINISTER REMARKED THAT THE ANTI-BOYCOTT LAW WAS OF OUR OWN MAKING AND THAT THE GOK COULD NOT BE EXPECTED TO CHANGE ITS LAWS TO CONFORM TO IT, ALTHOUGH HE NOTED THAT AN OFFICIAL EFFORT WAS CURRENTLY UNDERWAY TO EASE SOME OF THE PROCEDURAL OBSTACLES IN THIS ASPECT. HE CONFIRMED THE ASSURANCE WHICH I HAD GIVEN THESE COMPANIES, BUT SUGGESTED THAT, IF THEY WERE STILL HESITANT, THEY SHOULD COME TO KUWAIT AND TALK TO THE RESPONSIBLE GOK AUTHORITIES, INCLUDING HIMSELF, TO ASSURE THEMSELVES PERSONALLY OF KUWAITI ATTITUDES AND PRACTICES.

4. COMMENT: I BELIEVE THAT THE MINISTER'S ADVICE RE PERSONAL CONTACT WITH KUWAITI AUTHORITIES IS SOUND. IN ADDITION TO REASSURING THEMSELVES, REPRESENTATIVES OF AMERICAN FIRMS WOULD ALSO HAVE THE OPPORTUNITY TO ESTABLISH THAT KIND OF PERSONAL CONTACT WHICH IS SO HIGHLY VALUED IN KUWAIT AND IN THE ARAB WORLD GENERALLY. I SUGGEST, THEREFORE, THAT DEPT AND USDOC, WHEN CONSULTING WITH AMERICAN FIRMS ABOUT THE KUWAITI MARKET, PARTICULARLY WITH RESPECT TO LARGE-SCALE PROJECTS, ENCOURAGE THEM TO SEND THEIR REPRESENTATIVES TO KUWAIT TO DETERMINE FOR THEMSELVES THE POSSIBILITIES OF DOING BUSINESS HERE DESPITE CERTAIN APPARENT INSURMOUNTABLE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KUWAIT 04674 230712Z

OBSTACLES, ESPECIALLY WITH RESPECT TO THE BOYCOTT.
MAESTRONE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE PROMOTION, CAPITAL GOODS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT04674
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780344-0971
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780834/aaaabbrn.tel
Line Count: 96
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e7ce305d-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1650264
Secure: OPEN
Status: NATIVE
Subject: MEW MINISTER ENCOURAGES GREATER US-KUWAIT TRADE RELATIONSHIP IN CAPITAL GOODS AREA
TAGS: BEXP, ETRD, KU
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e7ce305d-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014